

records generated by the TSP Recordkeeper shall reflect that the contributions on the payment records should have been made on the pay date associated with the payroll submission, that the contributions should have been deposited to the investment funds(s) indicated on the payment records, and that the contributions were actually made on the date the late payroll submission was processed.

(2) The procedures applicable to lost earnings records submitted by employing agencies set forth in paragraphs (a)(2) through (a)(4) of § 1606.5, shall be applied to lost earnings records generated by the TSP Recordkeeper pursuant to paragraph (a)(1) of this section.

(b) *Payroll submissions received before January 1, 1991.* All contributions on payment records contained in a payroll submission received from an employing agency by the TSP Recordkeeper before January 1, 1991 but more than 30 days after the pay date associated with the payroll submission (as reported on Form TSP-2, Certification of Transfer of Funds and Journal Voucher), shall be subject to lost earnings, as follows:

(1) The employing agency shall, pursuant to instructions provided to employing agencies by the Board, submit to the TSP recordkeeper authorization for lost earnings to be computed on all contributions on the payment records contained in the payroll submission;

(2) The procedures set forth in paragraphs (a)(1) and (a)(2) of this section shall apply.

Subpart C—Lost Earnings Not Attributable to Delayed or Erroneous Contributions

§ 1606.9 Loan allotments.

(a) Loan allotments deducted from a participant's pay but not timely received by the TSP recordkeeper due to employing agency error shall be subject to lost earnings. In such cases:

(1) The employing agency must submit a lost earnings record indicating the amount of the loan allotment, the pay date for which the loan allotment was actually submitted, and the pay date for which the loan allotment should have been submitted;

(2) The TSP recordkeeper shall compute lost earnings on the belated loan

allotment using the G Fund rates of return for each month of the calculation;

(3) The amount of lost earnings calculated shall be deposited in the participant's account pro rata among the three investment funds on the basis of the balances of the three investment funds in the participant's account as of the end of the second month preceding the month during which the lost earnings record is processed.

(b) Loan allotments not deducted from a participant's pay due to employing agency error will not be subject to lost earnings.

§ 1606.10 Miscellaneous lost earnings.

Where lost earnings result from employing agency errors not specifically covered by this subpart or subpart B, the employing agency must consult with the Board or TSP Recordkeeper to determine the manner in which the employing agency shall submit lost earnings records or other data necessary to facilitate the payment of lost earnings.

Subpart D—Lost Earnings Records

§ 1606.11 Agency submission of lost earnings records.

(a) All lost earnings records required to be submitted pursuant to this part must be submitted to the TSP Recordkeeper in the manner and format prescribed in instructions provided to employing agencies by the Board or TSP recordkeeper.

(b) Where this part requires submission of lost earnings records, the employing agency must submit a separate lost earnings record for each pay period affected by the error. A lost earnings record may include all three sources of contributions, or it may include loan allotments, but may not include both loan allotments and contributions.

(c) Where this part requires the employing agency to indicate on a lost earnings record the investment fund to which a contribution would have been deposited had an employing agency error not occurred, that determination must be made solely on the basis of a properly completed allocation election on a Form TSP-1 that was accepted by the employing agency *before* the date the contribution should have been made, and that was still in effect as of